

**Alberta
Cattle
Commission**

GRASS ROUTES

The Alberta cattle producer newsletter.

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Beef producers Olympic sponsors

World pairs figure skating champions Canada Beef spokesmen

Canadian cattle producers could be among the big winners at 1994 Winter Olympics in Lillehammer, Norway. The Beef Information Centre (BIC) has retained world pairs figure skating champions Isabelle Brasseur and Lloyd Eisler as official beef spokesmen. Brasseur and Eisler are legitimate gold medal contenders and regular beef eaters.

The previous BIC Olympic advertising campaign featuring gold medalist Mark Tewksbury was the most successful in years. Consumer studies showed the Tewksbury campaign achieved record consumer awareness, excellent recall of key messages, significant improvement on consumer attitudes and reported increases in the use of beef. It is hoped Brasseur and Eisler will be as successful in competition and in advertising beef.

The \$1 million BIC Olympic campaign will feature the new beef commercial aired 48 occasions during CTV television coverage of the Lillehammer Olympics February 12-26. As well, print ads will appear in *Chatelaine*, *Reader's Digest*, *Canadian Living*, *Modern Woman*, *Maclean's* and *TV Guide*. A special 12 page insert featuring beef recipes will be inserted in *Maclean's* and *Modern Women*.

An Olympic retail campaign will hit 1,800 supermarkets across Canada featuring a recipe booklet produced in partnership with *Lipton*, *Catelli*, *Kraft*, and *Del Monte*.

The BIC national advertising campaigns are funded in-part by the Alberta Cattle Commission check-off.

Did you know?

The Classroom Agriculture Program has reached over 200,000 elementary students in Alberta. In March, 500 producer volunteers will teach the next generation of beef consumers about agriculture. The Alberta Cattle Commission is the major funder of CAP.

Government eliminates Crow Benefit

Alberta Agriculture announced it will end the Alberta Crow Benefit Offset Program on March 31, 1994. The Crow Benefit pays cattle producers a subsidy of \$10 per tonne of feed grain to compensate for price distortions caused by the Western Grain Transportation Act (WGTA).

The WGTA railway subsidy artificially inflates feed grain prices by encouraging grain exports. By eliminating the \$45 million Crow Benefit subsidy, Alberta Agriculture will trim approximately 10 per cent from its department budget.

"We are disappointed the government will end the Crow Benefit before the distortions caused by the WGTA are addressed," says Alberta Cattle Commission Chairman Larry Sears.

"We now expect the provincial government to increase their efforts to see the method of payment changed."

Under the termination schedule, grain fed to livestock sold up to and including March 31 will qualify for the Crow Benefit. Producers will have until August 31 to submit farm fed claims. To receive the benefit on purchased grain, the grain must be delivered to feed users by March 31.

Strength from the ground up.

PETA opens Canadian office

The extremist animal rights group People for the Ethical Treatment of Animals (PETA) has opened its first Canadian office in Scarborough, Ontario and is conducting a Canadian fundraising and recruitment drive.

PETA is best known for its use of high profile celebrities such as k.d. lang and Paul McCartney to spread its animal rights message.

PETA's goal is to end the use of animals for food, clothing, research, sports, entertainment, work or pleasure. PETA claims to have a membership of over 400,000 in the United States and a budget of almost \$10 million.

PETA also serves as the public relations arm of the terrorist group Animal Liberation Front (ALF). ALF conducted several terrorist acts in Edmonton during the last two years.



The ACC check-off - invest in the future

The Alberta Cattle Commission (ACC) has been an industry leader and model for other commodities in demonstrating what producer organizations can accomplish with a secure funding base ever since its inception over 20 years ago.

Through the check-off, the ACC runs effective, producer-directed programs that benefit the entire industry (see **Check-off shopping list**, page 3).

As the challenges and issues facing the beef industry have grown over the past 20 years, so has the ACC. Promotion, public and government affairs issues and marketing challenges have arisen, and the ACC has responded for producers. The ACC check-off has also become the backbone of vital national promotion and lobbying activities. The ACC is the largest funder of both the **Canadian Cattle-men's Association** and the **Beef Information Centre** and a major funder of the **Canada Beef Export Federation** and **CANFAX** market information services.

Secure funding is needed to professionally operate these kinds of services. All of beef's competitors (pork, lamb, chicken and turkey) are funded through non-refundable check-offs at a higher

rate per pound than beef. As well, our international competitors, the U.S., Australian and New Zealand beef industries have non-refundable check-offs.

A refundable check-off would significantly hinder provincial and national programs that benefit all producers. Other provinces with refundable check-offs provide a clue as to what Alberta could expect. Similar refund rates of 13 to 21 per cent would take \$1 million out of the ACC and national programs and services.

The make up of the Alberta cattle industry may force some producers to request refunds to stay competitive. As margin operators, the feedlot sector may be particularly susceptible to competitors who decide to request a check-off refund. The unfortunate part is those who request refunds would still get the same benefits as those who pay their fair share.

The fairest system for all cattle producers is the current non-refundable check-off. Each producer pays in proportion to the benefits received from the ACC's programs. The benefits from the check-off are documented to be returned many times over through either better market access or higher prices - it's well worth supporting!

Life after Tripartite

Life after the National Tripartite Stabilization Program (NTSP) began in October 1993, when the cattle industry, federal and provincial governments reached an agreement to terminate the program by December 31 to avoid trade actions by the U.S.

Through a consultative process which included producer meetings, the industry agreed that a whole farm, trade neutral, value-added income stabilization account (VAISA) would be the most suitable alternative for assisting producers to manage production and market risk.

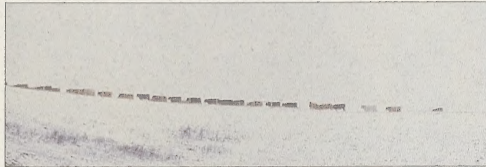
Logistically, it was not possible to implement VAISA until 1994 which created a lapse in payment coverage. Some provinces required that bridging mechanisms be established to cover the lapse before they would agree to end the NTSP. A national consensus on bridging programs could not be

reached and so the provinces agreed to allow regional solutions.

The western provinces chose an industry development fund created from half the federal and provincial governments' former NTSP contributions. The fund is worth in excess of \$20 million and will be used for beef promotion, market development and research in western Canada. The fund will be administered by a committee of industry and government representatives.

Ontario and the Maritimes opted for a one year bridging program placing 50 per cent of NTSP premiums into a NISA type account. The program is open only to producers previously enrolled in the NTSP.

Producer premiums for the NTSP cow/calf scheme will be paid back with interest in the spring of 1994.



Exporters find their niche in Pacific Rim

Alberta beef exports to Japan and other Pacific Rim countries are getting an unexpected boost from new and unusual food fads. The latest meal of choice in Japan is a low-calorie, low-cholesterol meal consisting of sliced small intestines boiled in a sauce and served over rice which is particularly popular with working women. Keeping up with Japanese food fads could be the gimmick beef producers have been looking for, says Ted Haney, director of Canadian operations for the Canada Beef Export Federation.

While sales of traditional beef cuts are moving up slowly and steadily, big gains are showing up in sales of offals. Offals have become a value-added, branded product that can sell for \$4 per kilogram. Tongue exports are also up 20 per cent in the last year. They sell for about \$4.60 per kilogram. Beef exports to Japan were up substantially in 1993.

Plebiscite fair, neutral and informed

The Alberta Agricultural Products Marketing Council is holding a producer plebiscite on the issue of the Alberta Cattle Commission's (ACC) non-refundable check-off. A vote in favor of the non-refundable check-off would mean a continuation of the current check-off system. A vote in favor of a refundable check-off would mean producers, should they chose, would be able to request a refund of their check-off from the ACC.

To be able to vote, you must be an "eligible producer". An eligible producer is:

- an individual or only one representative of a partnership, corporation or other recognized business unit,
- who is 18 years of age or older,
- who within the past 18 months has sold cattle and paid a service charge to the ACC, and
- who has not previously voted in this plebiscite.

There are three ways in which you may cast

your vote:

- at 35 producer information meetings throughout the province between February 14-25, 1994, (see **meeting list** on page 4),
- at the 65 Alberta Agricultural regional and district offices and the Special Area Office in Consort from February 28 to March 4, 1994 between 8:30 a.m. and 4:30 p.m., or
- by mail-in ballot available February 14 from the Returning Officer upon request by calling 1-800-232-9479 or 422-0137. Return ballots must be postmarked no later than March 4, 1994.

All ballots must be received by the District Agriculturist's Office no later than 4:30 p.m., March 4, 1994. For mail-in ballots, the certification envelope must be postmarked no later than March 4, 1994.

If you have any questions on the plebiscite please call the Returning Officer at (403) 427-2164.

Check-off shopping list - what you have bought

This is just a **short** list of what the Alberta Cattle Commission (ACC) check-off has bought for you!

• **European Countervail**

The ACC/CCA successfully lobbied Ottawa to maintain a five year extension on the countervail against highly subsidized European beef exports. The national industry has saved \$50 million a year in potential lost returns or \$350 million in the past seven years. With Alberta representing about half of the Canadian beef industry this success alone means Alberta producers have recovered **four** times more value than all the check-off paid during the 24 years of the ACC's existence.

• **Grazing Lease Administration Transfer**

The ACC successfully lobbied for the transfer of grazing lease administration from Public Lands to Alberta Agriculture. Twenty per cent of Alberta's cow herd uses grazing leases and generates an estimated \$100 million for cattle producers - or \$300 to \$400 million considering the economic multiplier.

• **Offshore Boneless Beef Tariffs**

The ACC/CCA successfully lobbied for import restrictions on offshore boneless beef when imports in early 1993 reached 200 per cent of historical levels. As a result, the government implemented a 25 per cent tariff surtax on offshore boneless imports in excess of 72,021 tonnes causing imports to return to normal levels.

• **National Beef Promotion**

Approximately two-thirds of the ACC check-off is used for national and provincial promotion. High profile ad campaigns and a strong retail presence have helped make beef the number one meal choice of Canadians. Ninety-six per cent of Canadians eat beef four times a week. Every dollar spent on national promotion returns \$5 to the producer.

• **Cattle and Beef Research**

The ACC funds research projects into cattle and beef production. Just three of 14 current projects show that the industry could save up to \$62.50 per animal.



Managing the BSE issue

The Canadian Cattlemen's Association (CCA) has been actively involved in managing the BSE issue. The CCA has approved of, and had direct input into the decisions made by Agriculture Canada. It has been important that the CCA take a definite position on this issue for many reasons. Firstly, Canadian cattle producers have a world renowned reputation for excellent herd health - a reputation which allows Canadians to trade with markets closed to other countries. Secondly, the research on BSE is fairly new and ongoing. The newness of the disease along with the serious trade implications are the reasons the CCA has supported and encouraged the decision to remove all cattle which may have been exposed to BSE in the U.K. Canada's trading partners have also endorsed the eradication measures. Maintaining Canada's BSE free status is directly attributable to the responsible action plan by Agriculture Canada. With the exception of Taiwan, our trading partners have not banned imports of Canadian beef, live cattle, or genetics because of the comprehensive response. Being an export dependent industry with \$1.5 billion annually in trade, this has been critical to cattle producers in Canada.

Compensation complications

The issue of compensation has complicated Agriculture Canada's depopulation plans. As a result, the CCA and national purebred and dairy associations have formed an industry compensation development committee. This group will decide how a special compensation fund will be structured and implemented for high value animals. The fund will be part of an appeal process for owners of BSE-suspect animals depopulated as part of government disease control actions. It will serve to reconcile the amount of compensation paid to owners under the Health of Animals Regulations and fair market value. Agriculture Canada agreed to help establish the fund by contributing start up funds that will be paid back once the process has been established. The committee has already begun its work which ensures Canada meets commitments made to our trading partners and addresses the concerns of individual owners.

Human health concerns

The most recent BSE development has been the link made in the media between BSE and a similar human condition called Creutzfeld-Jakob Disease. Although not much is known about the disease or how it develops, some British scientists have speculated there is a link with BSE. However, Scottish neurologist Dr. Richard Knight who has done much of the research on the disease says there is no proven connection with animal contact or eating meat. He goes on to say that the cause of the disease in humans is unknown in 90 per cent of cases. The CCA is contacting experts, such as Dr. Knight, to obtain their spoken or written comment for future media use on behalf of beef producers.

CHECK-OFF PLEBISCITE INFORMATION AND VOTING MEETINGS

ZONE 1

- Feb. 16 Lomond - 1:30 PM - Lomond Community Centre
- Feb. 16 Brooks - 7:30 PM - Tel Star Motor Hotel
- Feb. 22 Foremost - 7:30 PM - Legion Hall
- Feb. 24 Medicine Hat - 7:30 PM - Moose Hall in Medicine Hat

ZONE 2

- Feb. 14 Pincher Creek - 7:30 PM - Auction Mart
- Feb. 16 Lethbridge - 7:30 PM - Lethbridge Lodge
- Feb. 18 Stavelly - 7:30 PM - Community Hall

ZONE 3

- Feb. 15 High River - 7:30 PM - Highwood Auction Mart
- Feb. 16 Sundre - 7:30 PM - Seniors Recreation Centre
- Feb. 21 Airdrie - 7:30 PM - Town & Country Centre

ZONE 4

- Feb. 14 Sedgewick - 1:30 PM - Legion Hall
- Feb. 15 Metiskow - 1:30 PM - Community Hall
- Feb. 16 Pollockville - 1:30 PM - Community Hall
- Feb. 21 Cereal - 1:30 PM - Cereal Community Hall
- Feb. 23 Castor - 1:30 PM - Basement of Community Hall

ZONE 5

- Feb. 16 Innisfail - 7:30 PM - Legion Hall
- Feb. 21 Alhambra - 7:30 PM - Alhambra Community Centre
- Feb. 23 Elnora - 7:30 PM - Elnora Community Centre

ZONE 6

- Feb. 15 Camrose - 7:30 PM - Camrose Regional Exhibition Building
- Feb. 16 Winfield - 7:30 PM - Community Centre
- Feb. 22 Ponoka - 7:30 PM - Vold, Jones and Vold Auction Market
- Feb. 24 Stony Plain - 7:30 PM - Provincial Building

ZONE 7

- Feb. 15 Westlock - 7:30 PM - Westlock and District Community Hall
- Feb. 16 Thorhild - 7:30 PM - Community Centre
- Feb. 21 Rich Valley - 7:30 PM - Community Hall
- Feb. 24 Carrot Creek - 7:30 PM - Community Hall

ZONE 8

- Feb. 15 Kitscoty - 7:30 PM - Wheatfield Inn
- Feb. 17 Andrew - 7:30 PM - Community Centre
- Feb. 21 Elk Point - 7:30 PM - Elks Hall

ZONE 9

- Feb. 14 Ft. Vermilion - 1:00 PM - Agriplex
- Feb. 14 Grimshaw - 7:30 PM - Mile Zero Inn
- Feb. 16 Fairview - 7:30 PM - Dunvegan Inn
- Feb. 17 Rycroft - 7:30 PM - Courtesy Corner
- Feb. 21 Grande Prairie - 7:30 PM - Trumpeter Inn
- Feb. 22 Valleyview - 7:30 PM - Valleyview Memorial Hall